

Subject file

SECRET

MASA-452

Chief, Foreign Division
Attention: []
Chief of Station, Vienna

2 May 1951

Operational

[] Meeting with Inspector Wilhelm DIETRICH

Reference: MASA-355

1. Inspector Wilhelm DIETRICH, former USAGE subsource TT 2, was dropped by USAGE pursuant to the recommendations arrived at during the [] meeting of 14 March 1951 reported in reference communication.

2. Since DIETRICH's report had been of some interest and since he seemed to be the only productive member of USAGE's TT group, [] was instructed to contact DIETRICH in Bregenz in order to determine first hand if there is any point in trying to run controlled operations through DIETRICH. DIETRICH is a gendarmerie official assigned to the Investigation Section of the Verarlberg Gendarmerie Headquarters.

3. [] arrived in Bregenz in the afternoon of 26 April 1951 and first attempted to contact DIETRICH at the Gendarmerie Headquarters by telephone. The duty officer, however, informed [] that DIETRICH did not keep regular office hours, that he had not been in the office all day and that it was unknown whether he was in town or not. The duty officer recommended that [] attempt to contact DIETRICH at his home which he vaguely described as an unnumbered cottage at the outskirts of the small village of Wolfurt about 10 miles out of Bregenz off the Bregenz-Dornbirn highway.

4. [] took a taxi to Wolfurt and, after some questioning, was able to locate DIETRICH's house. [] introduced himself to DIETRICH as [] from U.S. Headquarters in Salzburg (CIC) and indicated that he had read reports heretofore sent by DIETRICH to American Intelligence through Dr. Wolfram RITSCHHAU. DIETRICH, a heavy set, balding man in civilian clothes, about 35 years of age, listened to [] story and then asked for []'s identification. When [] politely refused, DIETRICH indicated that he would be satisfied if [] produced his U.S. passport without opening it, since he, DIETRICH, knew what a U.S. passport looked like. [] complied and DIETRICH seemed satisfied. He then made the following statements about his work for U.S. intelligence:

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a. DIETRICH had wittingly submitted information to two U.S. intelligence agencies, i.e. to Munich via Rupert MANDL and to Salzburg via Wolfram HITSCHNAU. He had seen to it that the two agencies never received identical material.

b. DIETRICH's work is mainly devoted to penetration of the KPOs on the Verarlberg province level. He indicated that he had sent to Salzburg a number of interesting reports on statements allegedly made by Hans GRUBER (MAVA-4719, VIENF-4828), an influential and well-informed KPO functionary.

c. DIETRICH received about 2000 schillings per month from MANDL and a few hundred schillings from HITSCHNAU. Most of this money was spent on informants, but a few hundred schillings per month were retained by DIETRICH himself, who with a wife and four children, was unable to live on a Gendarmerie Inspector's salary of 1400 schillings a month minus taxes.

d. The DIETRICH-MANDL connection worked to the satisfaction of both whereas HITSCHNAU, in DIETRICH's opinion, is a crook and intrigant, who, while working for the U.S., maintained contact with the French IS.

e. After servicing these two U.S. agencies for some time, DIETRICH became dissatisfied with the set-up and decided to establish direct contact with one single U.S. agency. Shortly after the war DIETRICH had worked for the Special Branch of Military Government Lins and had made some U.S. contacts. When in late 1950 he had to travel to Lins to testify in a war crimes trial, he contacted CIC and negotiations were concluded in late March 1951 when a CIC agent in Lins, who used the pseudonym HAUSER, paid DIETRICH 2000 schillings.

f. The receipt of CIC funds coincided with HITSCHNAU's dismissal from the USAGE operation and DIETRICH also severed his connection with MANDL as of 1 May 1951 under the pretext that DIETRICH's chief, Security Director Dr. Johann STERNBACH, had increased DIETRICH's operational funds which made further financial support from MANDL superfluous.

g. When DIETRICH concluded his negotiations with CIC he told them with some details about his previous U.S. connections and asked CIC to check on MANDL and HITSCHNAU since he distrusted both of them.

5. DIETRICH stated that Mr. HAUSER of CIC Lins used a Polish interpreter in his conversations with DIETRICH whom DIETRICH immediately assessed as a swindler and crook. [] remembering []'s reports on one Jan GAJEWSKI, a dubious individual employed by CIC Lins (MASA-250 and 407), mentioned this name to DIETRICH who readily admitted that this was the man used by CIC Lins in their dealings with DIETRICH. DIETRICH added that GAJEWSKI had visited him in Bregenz behind the back of his CIC superiors and had asked for DIETRICH's assistance in procuring a laissez-passer to Switzerland. DIETRICH, who then noted this his first assessment of GAJEWSKI had been correct, became interested in GAJEWSKI's trip to Switzerland, procured the necessary papers for GAJEWSKI and promised him not to say anything about it to "Mr. HAUSER."

SECRET

MASA-452

6. Questioned by DIETRICH as to his motives for travelling to Switzerland, GAJENSKI stated that he knew one KEPPELER, fnu, a Swiss employee of the Danzas Forwarding Firm in Buchs who travels to Poland from time to time and brings back news about GAJENSKI's relatives there. DIETRICH is at present checking through Swiss police contacts on KEPPELER. He is of the opinion that GAJENSKI is politically unreliable and possibly an agent of the Polish IS.

7. Mentioning the Gina BUZZI case, DIETRICH stated that he had dismissed the informant who had reported the BUZZI case and who had certainly been guilty of embellishing the information. He went to Munich late in 1950 to check on the existence of Asta ESCHER, mentioned in connection with BUZZI. The trip had been paid by MANDL.

8. DIETRICH indicated that he was not happy with his new CIC connection, especially in view of GAJENSKI, but intended to go on with it, since he had given his word and had accepted funds. DIETRICH stated that he would be glad to work with [] if [] could arrange for his being released by CIC. Under no circumstances would he want to work again for two U.S. agencies, which seemed to him unreasonable and childish.

9. DIETRICH makes an impression of efficient brutality. He is very frank and minces no words. He knew the name of the General heading the Zipper complex and seemed well informed on U.S. intelligence in general. DIETRICH is very intelligent and conveys the impression of a thorough and capable intelligence officer. He proudly showed [] card file he keeps locked up in his cottage and a log where he registers his reports and the dissemination. He indicated that his Chief, STERNBACH, left him complete liberty to run his intelligence operations and had excused him from normal office hours. According to his statements, DIETRICH joined the police service when he was very young; prior to 1938 he worked in the anti-Nazi section of the Gendarmerie in Braunau. Under the Nazis he was at first excused from military service since he was deemed politically unreliable. Later he was, however, assigned to a SS police unit and sent to Poland and the USSR, where he specialized - "heute kann man es ja sagen" - in anti-partisan operations. After the war he returned to his native Vorarlberg and re-joined the Gendarmerie. DIETRICH speaks German with a strong Swiss-Vorarlberg accent; he expresses himself precisely and bluntly. Speaking of a possible Communist attack on him since he is well known to the KPOs as their bitter enemy, he stated that he did not intend to die in his bed and showed [] a Czech automatic pistol hung up against the wall of his bedroom in a shoulder holster and produced another automatic from his coat pocket. [], who had expected to find a provincial Gendarmerie official, was duly impressed by the inspector's colorful personality.

10. DIETRICH admitted a close working relationship with Dr. Erich MÜLLER, free lance intelligence operator working for STERNBACH, but refused to explain the command situation.

SECRET

11. Wolfgang BITSCHNAU contacted DIETRICH on 15 March and told him that he, BITSCHNAU, was to be appointed Chief for Vorarlberg of the Austrian Intelligence Service currently being organized by State Secretary GRAF. His appointment was being delayed because GRAF was in the hospital. He said that he would include DIETRICH in his plans for coverage of Vorarlberg. DIETRICH did not give any reaction to the BITSCHNAU approach. DIETRICH showed no indication of knowing exactly who BITSCHNAU had worked for before their relations were severed.

DIETRICH apparently accepted "the U.S. intelligence in Salzburg" explanation.

[] to whom some of this information was given orally, pointed out that since Usage's name was not mentioned the Usage operation is reasonably secure.

[] COMMENT

12. [] was sent to contact DIETRICH on a one-shot basis because the DIETRICH operation is one of these tantalizing affairs which an Operations Officer thinks would probably give good results if properly handled. As a result of []'s visit we have a first hand assessment of DIETRICH. What is more important is the service which we have performed for 430th CIC.

13. Since the role of Jan GAJEWSKI has been a dubious one, both in connection with DIETRICH and the Lins intelligence picture in general, [] went to Henry Windmoeller, Operations Officer of 430th CIC and voiced some of his suspicions about GAJEWSKI in connection with the DIETRICH case. [] stated that DIETRICH was scheduled to meet HAUSER and GAJEWSKI on 2 May in Salzburg. Windmoeller knew absolutely nothing about the DIETRICH operation. After a day of research Windmoeller came back with the information that DIETRICH had been offered as informant in Vorarlberg to a member of CIC Lins who was being transferred to Salzburg. The Salzburg end of the operation was handled by S/A Patrick Campbell, who, after discovering somehow that DIETRICH already has U.S. intelligence contacts, had dropped the operation and crossed the name of DIETRICH from his books. He stated definitely that no meeting with DIETRICH had been scheduled for 2 May. By this time CIC Operations was vitally interested in the case and since the real name of a CIC agent in Lins is HAUSER, it was decided to monitor DIETRICH's arrival in Salzburg.

14. When DIETRICH got off the train at 2300 hours on 2 May he was met by GAJEWSKI and HAUSER. Windmoeller tailed the trio to a well known CIC hang out, the Aigner Hof, and cornered HAUSER while the latter was parking his car. After reminding HAUSER that it was not cricket for CIC Lins agents to make meetings in Salzburg without clearance, Windmoeller warned HAUSER that GAJEWSKI's activities were strongly suspected and that he should try to talk to DIETRICH alone. At about 0300 hours on 3 May HAUSER called Windmoeller and asked him to come and help him talk to DIETRICH since his German was giving out. HAUSER said he had succeeded in getting DIETRICH away from GAJEWSKI under GAJEWSKI's emphatic protests.

15. Windmoeller and HAUSER talked to DIETRICH until 0600 hours and elicited the following information:

a. DIETRICH's contact with CIC Lins dates back to at least November 1950 and DIETRICH had apparently had many contacts with GAJEWSKI which HAUSER knew nothing about.

SECRET

MASA-452

b. DIETRICH had been introduced by GAJENSKI to Ing. Simon WIESENTHAL who was posing as an American CIC agent. DIETRICH had tried to check on the identity of WIESENTHAL through Maximilian MATTES. MATTES had apparently confused the description of WIESENTHAL with an actual CIC agent and, therefore, confirmed WIESENTHAL as working for CIC. WIESENTHAL's connections must have been good because he held that DIETRICH had been checking on him and told DIETRICH so at their next meeting.

c. Material which DIETRICH had passed to CIC through GAJENSKI and which probably reached WIESENTHAL instead of CIC include a list of Austrian officers recruited by the Syrian Government for the Syrian Army and plans for a time bomb which some contact of DIETRICH's has developed.

d. GAJENSKI had approached a person whom DIETRICH had identified as one of his informants in Yerakberg and tried to enlist his assistance in a large black market copper deal on behalf of the Soviets.

e. GAJENSKI's contact with KEPPELER (see para. 6) was confirmed.

16. As a result of these disclosures GAJENSKI, who was due to emigrate to Australia in a few weeks, has been detained for interrogation. DIETRICH will be re-interrogated if necessary. We will forward all reports when they become available. After the GAJENSKI case is finished we can, if we wish, approach DIETRICH. The main benefit to us may well be the information on WIESENTHAL which we can use in our Symphony plans.

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